
Manitoba 

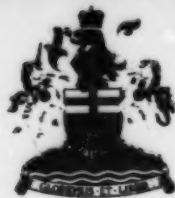
**Annual Report
2001 - 2002**

The Public Trustee



Includes 10% post-consumer waste





102-07506/

**MINISTER OF JUSTICE
ATTORNEY GENERAL**

Room 101
Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

The Honourable Peter Liba
Lieutenant-Governor of Manitoba

MAY IT PLEASE YOUR HONOUR:

It is my privilege to present for the information of Your Honour the Annual Report of The Public Trustee for the fiscal year ending March 31, 2002.

Respectfully submitted,

Honourable Gord Mackintosh
Minister of Justice
Attorney General



*Our Past. Our Future. Our Celebration.
Notre passé. Notre avenir. Notre fête.*





Deputy Minister of Justice
and Deputy Attorney-General

Room 110
Legislative Building
Winnipeg, MB R3C 0V8

The Honourable Gord Mackintosh
Minister of Justice
and Attorney General
104 Legislative Building
Winnipeg MB R3C 0V8

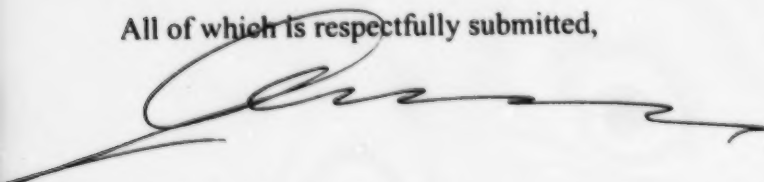
Dear Minister:

I am pleased to submit for your consideration the Annual Report of The Public Trustee Special Operating Agency for the fiscal year ending March 31, 2002.

The results of the 2001/2002 fiscal year indicate that the SOA continues to be effective in meeting client needs and in its planning for the future.

The Advisory Board is pleased with the success of the Public Trustee and encouraged by the ongoing commitment of its employees.

All of which is respectfully submitted,



Bruce A. MacFarlane, Q.C.
Deputy Minister of Justice
Deputy Attorney General



Manitoba

The Public Trustee



13th Floor
Woodsworth Building
405 Broadway
Winnipeg MB R3C 3L6
CANADA

Bruce A. MacFarlane, Q.C.
Deputy Minister of Justice and
Deputy Attorney General
110 Legislative Building
Winnipeg, Manitoba R3C 0V8

Dear Sir:

In accordance with the provisions of Section 19 of *The Public Trustee Act* and the requirements of a Special Operating Agency, I submit the Annual Report of The Public Trustee for the fiscal year ending March 31, 2002.

Yours truly,

A handwritten signature in black ink, reading "M. Anne Bolton". The signature is fluid and cursive, with a long horizontal stroke extending from the end.

M. ANNE BOLTON, Q.C.
Public Trustee



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PROFILE OF THE PUBLIC TRUSTEE

The Public Trustee provides services for a fee to the people of Manitoba in accordance with its statutory mandate. The office of The Public Trustee operates with a high level of accounting, legal and professional expertise necessary for the management of approximately 5,561 files. Assets under administration are currently valued at approximately \$163 million.

THE MISSION OF THE PUBLIC TRUSTEE IS:

**TO PROTECT THE INTERESTS OF MANITOBBANS BY
PROVIDING PROFESSIONAL AND COST-EFFECTIVE
TRUSTEE SERVICES OF LAST RESORT THAT MEET
THE NEEDS OF ITS CLIENTS**

THE PRINCIPLES BY WHICH WE OPERATE TO ACHIEVE OUR MISSION ARE:

- our service is client focused;
- our service is cost effective;
- services which must be provided by statutory mandate are provided and if fees cannot be charged, the costs are covered by the revenue earned in other areas of the operation of the office.

STATUTORY MANDATE

The Public Trustee is statutorily mandated to provide the following services to Manitobans:

- (a) Committee for mentally incompetent persons under the provisions of *The Mental Health Act*;
- (b) Substitute Decision-Maker for adults living with a mental disability under the provisions of *The Vulnerable Persons Living With a Mental Disability Act*;
- (c) Give or refuse consent to psychiatric treatment for mentally incompetent patients in psychiatric facilities;
- (d) Official Administrator for the province;
- (e) Official Guardian for the province;
- (f) Acts as litigation guardian for infants and mentally incompetent persons who have no one else competent to represent their interests;
- (g) Administers trust funds for infants;
- (h) Reviews all infant settlements;
- (i) Reviews all applications for private trusteeship.

OTHER SERVICES

The Public Trustee has the discretion to accept Powers of Attorney from mentally competent Manitobans who have estates of \$250,000.00 or less, and who require assistance administering their financial affairs.

THE PUBLIC TRUSTEE ADVISORY BOARD

The Public Trustee provides plans and reports to the Advisory Board established by the Public Trustee Operating Charter for review and consultation on short and long-term strategic planning, management, and operating issues of concern to the private and public sectors. Its members are appointed by the Minister of Justice and it is chaired by the Assistant Deputy Minister as delegated by the Deputy Minister. The Board meets quarterly to provide advice to the Public Trustee on its direction, the annual business plan and its financial reporting requirements.

CHAIR	Bruce A. MacFarlane, Q.C. Deputy Minister Justice	
MEMBERS	Mary Humphrey Executive Assistant to the Deputy Minister Justice	ex officio
	M. Anne Bolton, Q.C. Public Trustee	ex officio
	E. D. Kelly Barrister and Solicitor	Private Sector Representatives
	John Elcomb Regional Director, Prairies CIBC Trust	
	Carol Renner Primary Care Coordinator Primary Health Care Department of Health	Client Representatives
	Martin Billinkoff Assistant Deputy Minister Community Living Department of Family Services	
	Heidi Plenert Administrative Assistant Public Trustee	Employee Representative

THE PUBLIC TRUSTEE

CREATION OF THE PUBLIC TRUSTEE

The Public Trustee is a corporation sole. It was created by the enactment of *The Public Trustee Act* on February 1, 1973. The Public Trustee has a corporate seal and perpetual succession and functions separately from government, capable of suing or being sued on behalf of its clients, trusts, and estates which are administered by it. *The Public Trustee Act* provides that the Auditor General audits the books and accounts of The Public Trustee. As well, the act requires that an annual report be filed including an audited balance sheet and an audited statement of receipts and expenditures for the fiscal year. Fees for services have been generated by the office since its inception and cover its salary and operating expenditures.

SPECIAL OPERATING AGENCY STATUS

Effective April 1, 1996 The Public Trustee commenced operation as a Special Operating Agency (SOA). Prior to this conversion, The Public Trustee had been operating on a full cost recovery (revenue) basis. The advantages of SOA status, including the flexibility to hire staff as required to provide service levels appropriate to the fees charged, carry forward surpluses to subsequent years, the ability to plan on a long-term basis, acquire computer equipment and improve services to the public, have assisted in the operation of The Public Trustee as an SOA. The increased management authority and more rigorous planning and reporting requirements afforded by Special Operating Agency status have assisted the Public Trustee in increasing the quality of services to its clients.

The Public Trustee remains a branch within the Department of Justice of the Province of Manitoba and is accountable to the Deputy Minister and the Minister for operational and financial performance. The Public Trustee operates outside the Consolidated Fund under the Special Operating Agencies Financing Authority, which holds title to the Public Trustee's assets, provides financing for operations and is responsible for the Public Trustee's liabilities. Accountability is supported by the Public Trustee's compliance with its Operating Charter, transfer agreement, management agreement, applicable General Manual of Administration Policies and by *The Special Operating Agencies Financing Authority Act*.

The Public Trustee's staff are assigned in 6 distinct sections:

Administration - This section is composed of the Public Trustee who administers the entire program, 1 internal auditor, 1 term Systems Analyst and .5 support staff.

Client Administration - This section manages the personal and financial affairs of vulnerable persons and mentally incompetent adults. The Winnipeg office is composed of the manager, 1.5 term and 11.5 permanent officers, and 11 permanent and 1.1 term support staff. The Brandon office is composed of 1 permanent officer, 1 permanent and .25 term support staff.

Estates and Trusts Administration - This section administers deceased estates, and adult and infant trusts. This section is composed of the manager, 5 permanent officers, 3 permanent support staff and 1 permanent trust administration clerk.

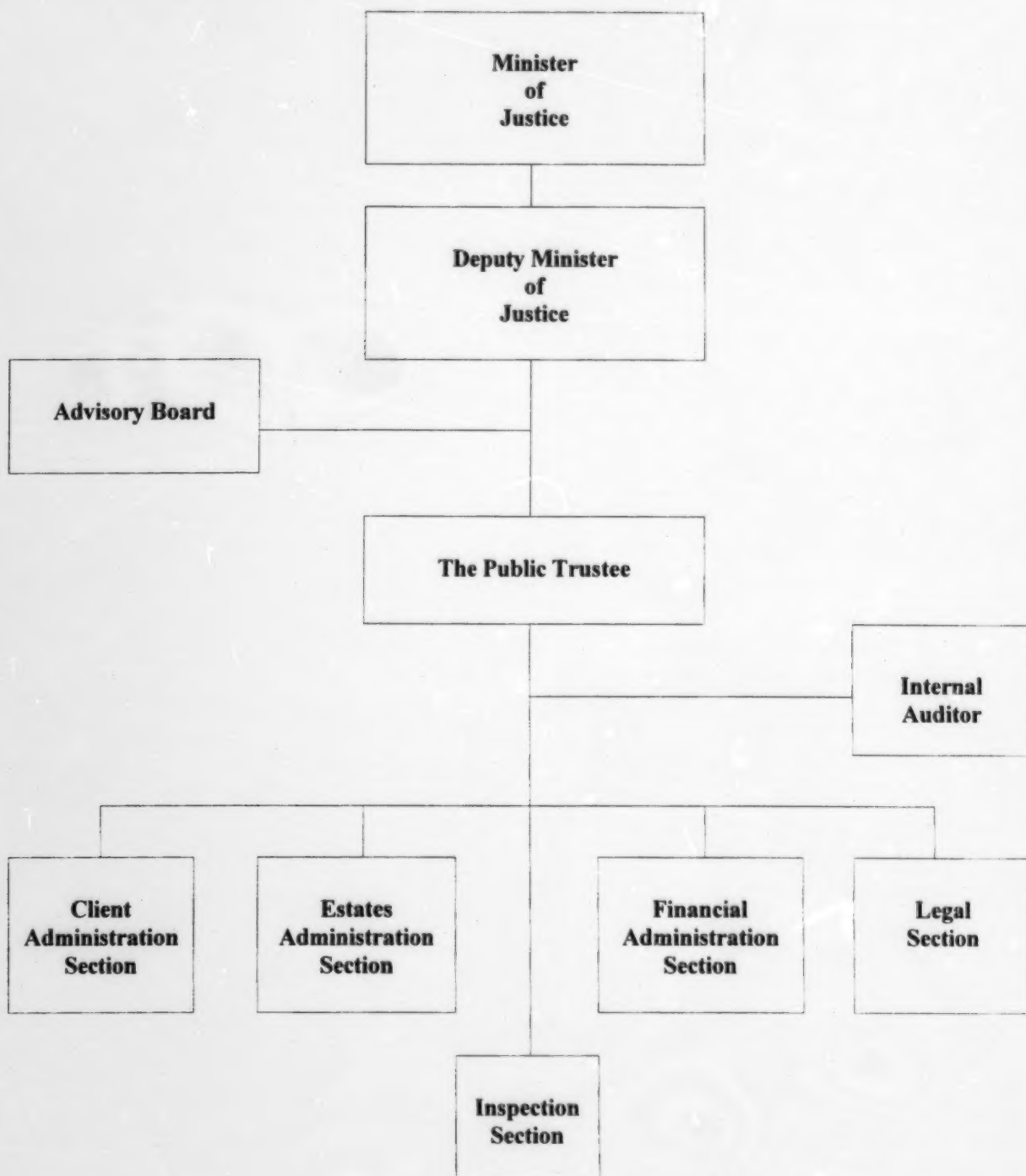
Financial Administration - This section manages the accounting for all clients, estates and trusts and manages the Common Fund. It also manages the revenues and operating budget of the office. This section is composed of the manager, 1 senior accountant, 1 accountant, 1 investment officer, 2 systems staff, 14 permanent accounting staff and 1.5 term accounting staff.

Legal - This section provides the necessary legal representation for the estates, trusts and clients, ensures the protection of rights and assets, provides assistance to the Court as requested and provides advice to the Public Trustee. This section is composed of 1 senior counsel, 4 legal counsel, 1 articling student and 2.6 support staff.

Inspection - This section provides services for estates and trusts, and client administration by investigating matters as required in estates, trusts and client files and recording and securing properties owned by clients and estates. The section is composed of the Chief Inspector, 3 inspectors, and one clerk.

Each of the managers with the exception of the chief inspector is part of the management team and each, including the chief inspector, reports to the Public Trustee. As well, the internal auditor reports to the Public Trustee.

The Public Trustee Organization



PERFORMANCE REVIEW

The long-term goals which are identified in the Business Plan are:

1. To efficiently and effectively provide a service for a fee to the people of Manitoba by:
 - administering the estates of people who are not mentally capable of doing so and making personal decisions on their behalf;
 - administering the estates of people who have granted a Power of Attorney to the Public Trustee;
 - administering the estates of people who have died in Manitoba with no one else capable or willing to act as administrator;
 - administering trust monies on behalf of people who are under 18 years of age and administering testamentary and inter vivos trusts;
 - supporting all of these functions with legal, financial and accounting expertise;
 - fulfilling additional roles pursuant to legislation or as ordered by the Court.
2. To enhance the level of service provided to the clients, estates and trusts administered by the office.
3. To ensure the efficient use of resources by reviewing administrative policies and procedures and the financial results in the functional areas of the office.
4. To improve communication with all individuals and agencies who have contact with the office.
5. To recover the full costs of its operations from its fees.

ACCOMPLISHMENTS 2001-02:

The accomplishments in 2001-02 are:

The Public Trustee accomplished all goals set out in its Business Plan for 2001-02 as follows:

1. One Hundred percent (100%) of available job descriptions were updated and subsequent employee performance appraisals were completed during the fiscal year.
2. The Public Trustee continued its regular education seminars. Details of seminars are given under the section report for Client Administration.
3. The Public Trustee decided that at present, its requirement to extend its educational information through the Internet is met by the Public Trustee's exposure on the Justice Home Page. Appropriate text for the page was developed and is now contained there for the public.
4. After achieving cost recovery for warehouse storage rental, The Public Trustee decided for reasons of efficiency, to discontinue leasing its warehouse storage space. The Public Trustee now utilizes commercial storage for clients who require storage for larger effects, and stores memorabilia and sentimental items at its main office location.
5. The Public Trustee sought and received Treasury Board ratification of its decision to double inspection fees. This increase will target greater cost recovery for the Inspection Section.
6. The Public Trustee has defined standards for service delivery for all of its sections with a view to implementing them during the fall of 2002.

Client Administration

1. Vulnerable Persons Unit

During the year, an agreement was reached between the Department of Family Services and Housing (Family Services) and the Public Trustee to formalize the procedure whereby the Public Trustee delegates authority for personal care to Family Services. The agreement provides clarity to the determination of The Public Trustee's role and duties towards Vulnerable Persons Living with a Mental Disability, as distinguished from the role and duties of Family Services.

2. Powers of Attorney

The Public Trustee held 79 Powers of Attorney as at March 31st, 2002, a decrease of two from the previous year.

3. File Reviews

The Manager, Client Administration and the Internal Auditor continue to conduct file reviews to ensure that assets and income are properly administered and appropriate levels of service are provided to clients. During the year, 194 files were reviewed. This meets the goal of reviewing 50% of all files after they have been open for 6 months.

4. Client Administration Staffing

During the year, an additional Client administration Officer was hired, and a half time Client Administration Officer converted to full time, adding a total of 1.5 new officers to the unit. This allowed a reduction in the case load of each committeeship officer to approximately 170-200 from a previous caseload of approximately 200-240 per officer.

An additional administrative assistant was also hired, increasing the number of support staff in the Client Administration Section in Winnipeg from 11 to 12.

The addition of 2.5 staff, and the resulting reduction in caseloads has increased the amount of time Client Administration Officers and support staff have to deal with each client, thereby improving the level of service provided to clients as a whole.

5. Performance Appraisals

During the year, performance appraisals were conducted with Client Administration Officers and Support Staff. Performance Appraisals will take place again in Fiscal Year 2003-2004.

6. Training Plan

During the year, a training plan for new Client Administration Officers and Support Staff was developed and implemented. The components of the plan include time spent with designated experienced staff, orientation to other sections of the office, and an orientation guidebook.

7. Deceased Clients

During the year, the equivalent of one full time position was reassigned from other duties within the office to Client Administration. This position, which is split between two support staff, administers the estates of clients of the Public Trustee who die, pending the appointment by the Court of a personal representative. Previously, these estates were managed by Client Administration Officers and support staff. This reduced the amount of time available to them to provide service to living clients.

New procedures are being developed to streamline the administration of these estates, which should reduce the amount of time spent on the files, while speeding the process of either having a personal representative appointed, or distributing the estate to creditors or heirs. The procedures will be completed and fully implemented during the 2002-2003 fiscal year.

8. Speaking Engagements

The provision of information to the public regarding the role and function of the Public Trustee continued as an important function of the office. To that end, four large seminars were held during the year. One large seminar, consisting of both a morning and afternoon session, was held in Winnipeg, with an attendance of approximately 230 people. In addition, smaller sessions were held in Dauphin, Stonewall and Winkler, with attendance between 40 and 75 people. The Public Trustee will continue to hold four large seminars per year in various regions of the province, on various relevant topics.

In addition, smaller presentations continue to be made at the request of agencies, service groups and various government departments. Presentations were provided to the following groups and organizations:

- St. Amant Centre Parents' Group
- Vulnerable Persons Commission Hearing Panel Members
- Protection for Persons in Care Investigators
- Staff of Veterans Affairs Canada
- Staff of Winnipeg Regional Health Association PACT Program
- Federal Superannuation National Association
- Staff of Misericordia Health Centre Eye Surgery Department
- Boundary Trails Health Centre
- Department of Family Services and Housing Community Living Program Staff
- University of Manitoba, Faculty of Social Work Students
- Manitoba Protective Officers Group
- Law Society of Manitoba Bar Admission Class
- Winnipeg Regional Health Authority Home Care Co-ordinators Orientation
- St. Boniface Hospital Social Work Students

Estates & Trusts

1. The Manager, Estates & Trusts met with each officer on a monthly basis to review 25% of the officer's files to ensure service standards are met and proper procedures are followed.

Financial Administration

1. New Client Investment Review System

A new PC based client investment review system was developed and implemented during the year. This system was developed to automate routines that previously were mostly paper-based. The new system will improve control of the review process, enhance our ability to track investment decisions, keep track of the historical rationale for those decisions, provide more complete and current data to the people directly involved in the client investment review, provide exception reporting and makes this review data more readily available to other Public Trustee staff.

2. Chattel Instruction Tracking System

A new PC based Chattel Instruction tracking system was developed and implemented. This system improves our ability to track Chattel Instructions from administrative sections to the Inspection section. This will improve controls associated with the chattel process, improve our ability to deal with workload assignments in Inspection, allow for easier billing of inspection time and will provide useful statistics that will help analyse costs. Along with the implementation of this system, the main frame system was enhanced to provide Chattel receipts and Chattel Trust receipts in order to improve these processes.

3. Main Frame Enhancements

The main frame system was enhanced in many ways to improve control, efficiency and functionality. New control and information reports were developed such as for the bulk payment of Blue Cross billings. New data fields were added which increased the functionality of the data maintained for each client. New month end data retention was improved which means that many month end reports may now be recreated from this data. This will mean that we do not need to store or archive as many of these reports as before.

4. Job Descriptions and Performance Reviews

The update of job descriptions and subsequent performance reviews were completed for all personnel in the section.

5. Service Delivery Standards

Service delivery standards were developed during the year and are awaiting implementation.

General

1. Staff Training

Selected staff participated in varied training throughout the year including:

Communication Dynamics	2 employees
Communicating with Aboriginal People	2 employees
Time Management	5 employees
Emotional Intelligence – Building on your Strengths	1 employee
Pre-Retirement Planning	1 employee

Communicating Effectively on the Telephone	1 employee
The Plain Language Approach to Writing	1 employee
Writing and Editing Skills Level 1	3 employees
Creative and Critical Thinking	1 employee
Ergonomics	4 employees
Hearing Voices (Sensitivity Training, Schizophrenia Society of Manitoba)	20 employees
ACL Training (Attitudes & Values re: Vulnerable Adults)	25 employees
Public Health Education	5 employees
Infection Control	6 employees
Senior Squalor Syndrome (Manitoba Conservation)	18 employees

PUBLICATIONS

The Public Trustee has a number of publications available to individuals who come in contact with the office. Many of these are available in bilingual format, or available in English only or French only. They are:

1. **The Committeeship Guidebook (Bilingual)**
 - This booklet provides guidance to private committees on their duties and responsibilities. It also provides examples of the accounting required and opening and closing inventories.
2. **The Public Trustee Fee Brochure (Bilingual)**
 - This brochure details the fees charged for the services provided by the office.
3. **The Powers of Attorney Project Pamphlet (Bilingual)**
 - This pamphlet outlines the powers of attorney project of the Public Trustee's office and from whom the Public Trustee will accept powers of attorney. It also includes the fee brochure and details of how the power of attorney document will be reviewed and signed.
4. **Operation of Client Administration Section (Bilingual)**
 - This pamphlet provides details on how the officers will manage the personal and financial affairs of clients.
5. **Powers of Attorney Guidebook (Bilingual)**
 - This is a detailed guidebook outlining the responsibilities and duties of an attorney together with a sample accounting. This guidebook is available free of charge through organizations such as the Seniors Directorate, Elder Abuse Resource Centre, Age and Opportunity. The guidebook is also available through the Public Trustee's Office.

**The Public Trustee of Manitoba - Section
Activity for the year ending March 31, 2002**

Trust and Estates Section

	2001	Files Opened in Year	Files Closed in Year	2002 End of Year
Assets under Administration * (\$000's)	\$ 50,187			\$ 54,037
Number of Files				
Deceased Estates	450	175	163	462
Infant Trusts	1,086	164	132	1,118

Client Administration Section

	2001	Files Opened in Year	Files Closed in Year	2002 End of Year
Assets under Administration * (\$000's)	\$ 109,696			\$ 108,804
Number of Clients	3,558	441	542	3,457

Legal Section

	2001	Files Opened in Year	Files Closed in Year	2002 End of Year
Number of Files at beginning of year	677	542	695	524

*Note: Assets under Administration are shown at values recorded on the client accounts and not as presented in the financial statements (see Notes 2c and 2d in Notes to Financial Statements).

**The Public Trustee of Manitoba - Section
Activity for the year ending March 31, 2002**

Financial Administration Section

Magnitude (\$000's)	2001	2002
Total Assets under Administration *	\$ 159,883	\$ 162,841
Receipts for year	\$ 108,963	\$ 100,175
Disbursements for year	\$ 108,909	\$ 100,096
Total Accounts/Files	5,771	5,561
Total Financial Transactions	315,589	313,026

*Note: Assets under Administration are shown at values recorded on the client accounts and not as presented in the financial statements (see Notes 2c and 2d in Notes to Financial Statements).

SUMMARY OF FINANCIAL RESULTS
(\$000's)

	Actual 2000/01	Actual 2001/02	Budget 2001/02	% Variance
Total Income	4,511	4,665	4,525	3.1%
Salaries & Benefits	3,412	3,564	3,564	0.0%
Employee Pension Costs	130	191	270	<29.3>%
Occupancy Costs	221	218	250	<12.8>%
Operating Costs	661	692	687	0.7%
Amortization: Furniture & Equipment/loss on disposal of capital assets	41	42	41	2.4%
Total Expenses	4,465	4,707	4,812	<2.2>%
NET INCOME (Loss)	46	<42>	<287>	<85.4>%

Variances: Total income is greater than forecast primarily due to an improvement in administration fees. This improvement is due to an increase in assets under administration.

Salaries are as forecast.

Pension costs have been decreased due to changes in the way pension costs are paid and the elimination of pension liability.

Occupancy costs are lower than forecast as the cost of additional office space was deferred.

Operating costs are within normal variance.

Amortization costs are within normal variance.

S

SUMMARY OF FINANCIAL RESULTS
(S000's)

	Actual 2000/01	Actual 2001/02	Budget 2001/02	% Variance
Total Income	4,511	4,665	4,525	3.1%
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Salaries are as forecast.

Pension costs have been decreased due to changes in the way pension costs are paid and the elimination of pension liability.

Occupancy costs are lower than forecast as the cost of additional office space was deferred.

Operating costs are within normal variance.

Amortization costs are within normal variance.

**The Public Trustee of Manitoba
An Agency of the
Special Operating Agencies
Financing Authority
Province of Manitoba**

**Financial Statements
March 31, 2002**



MANAGEMENT REPORT

The accompanying financial statements are the responsibility of management and have been prepared in accordance with the accounting policies stated in the financial statements. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data available up to June 21, 2002. The financial information presented elsewhere in the Annual Report is consistent with that in the financial statements.

Management maintains internal controls to provide reasonable assurance that the financial information is reliable and accurate and that the assets of the Public Trustee are properly safeguarded.

The responsibility of the Auditor General is to express an independent, professional opinion on whether the financial statements are fairly stated in accordance with the accounting policies stated in the financial statements. The Auditor's Report outlines the scope of the audit examination and provides the audit opinion.

The Public Trustee has reviewed and approved these financial statements and the Annual Report in advance of its release and has approved its content and authorized its release.

A handwritten signature in black ink, reading "M. Anne Bolton". The signature is fluid and cursive, with a long horizontal stroke at the end.

M. Anne Bolton, Q.C.
Public Trustee



Office of the Auditor General

500 - 330 Portage Avenue
Winnipeg, Manitoba
CANADA R3C 0C4

AUDITORS' REPORT

To the Legislative Assembly of Manitoba,
To the Public Trustee of Manitoba, and
To the Special Operating Agencies Financing Authority

We have audited the balance sheet of The Public Trustee of Manitoba, an Agency of the Special Operating Agencies Financing Authority - Province of Manitoba, as at March 31, 2002 and the statements of income and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Public Trustee's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2002 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Office of the Auditor General

Winnipeg, Manitoba
June 21, 2002

PUBLIC TRUSTEE OF MANITOBA
(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

BALANCE SHEET
(In Thousands)
AS AT MARCH 31, 2002

ASSETS

	2002	2001
Current		
Cash	\$ 86	\$ 18
Accounts receivable, net (Note 3)	683	660
Prepaid expenses	4	4
Short-term investments with Minister of Finance	<u>875</u>	<u>1,706</u>
	1,648	2,388
Receivable from Province of Manitoba (Note 4)	515	515
Capital Assets (Note 5)	<u>101</u>	<u>112</u>
	<u>\$ 2,264</u>	<u>\$ 3,015</u>

LIABILITIES

Current		
Accounts payable and accruals (Note 6)	\$ 477	\$ 448
Accounts payable to Province of Manitoba (Note 10)	<u>0</u>	<u>783</u>
	<u>477</u>	<u>1,231</u>
Severance pay benefits (Note 18)	414	369

EQUITY

Revenue stabilization reserve (Note 15)	500	500
Retained earnings	<u>873</u>	<u>915</u>
	<u>\$ 2,264</u>	<u>\$ 3,015</u>

PUBLIC TRUSTEE OF MANITOBA
(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

STATEMENT OF INCOME AND RETAINED EARNINGS
(In Thousands)
YEAR ENDED MARCH 31, 2002

	2002	2001
Revenue		
Fees (Note 8)	\$ 4,510	\$ 4,323
Interest	37	100
Other	<u>118</u>	<u>88</u>
	<u>4,665</u>	<u>4,511</u>
Expenses		
Amortization of capital assets	42	41
Accommodation costs - Department of Government Services	218	221
Other administration expenses (Note 9)	692	661
Salaries and benefits	3,564	3,412
Employer pension costs	<u>191</u>	<u>130</u>
	<u>4,707</u>	<u>4,465</u>
Net Income (Loss)	(42)	46
Retained earnings, beginning of year	<u>915</u>	<u>869</u>
Retained earnings, end of year	<u>\$ 873</u>	<u>\$ 915</u>

PUBLIC TRUSTEE OF MANITOBA
(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

STATEMENT OF CASH FLOWS
(In Thousands)
YEAR ENDED MARCH 31, 2002

	2002	2001
Cash derived from (applied to)		
Operating (Note 16)		
Net income (Loss)	\$ (42)	\$ 46
Items not involving cash		
Amortization of capital assets	<u>42</u>	<u>41</u>
	0	87
Change in		
Receivables	(23)	84
Prepaid expenses	0	3
Payables	<u>(754)</u>	<u>817</u>
	<u>(777)</u>	<u>991</u>
Investing		
Acquisition of capital assets	<u>(31)</u>	<u>(85)</u>
Financing		
Severance pay benefits	45	21
Pension liability	<u>0</u>	<u>(777)</u>
	<u>45</u>	<u>(756)</u>
Net increase (decrease) in cash	(763)	150
Cash and short term investments		
Beginning of year	<u>1,724</u>	<u>1,574</u>
End of year	<u>\$ 961</u>	<u>\$ 1,724</u>

PUBLIC TRUSTEE OF MANITOBA
(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

NOTES TO FINANCIAL STATEMENTS
(In Thousands)
MARCH 31, 2002

1. Nature of organization

The Public Trustee protects the interests of Manitobans by providing trust, legal, financial and personal services on a last resort basis to people who are mentally incompetent, under the age of majority, or whose estates would otherwise be unadministered upon their death.

Effective April 1, 1996, the Public Trustee was designated as a Special Operating Agency pursuant to The Special Operating Agencies Financing Authority Act, Cap. s185, C.C.S.M. and operates under a charter approved by the Lieutenant Governor in Council.

The Public Trustee is financed through the Special Operating Agencies Financing Authority (SOAFA). The Financing Authority has the mandate to hold and acquire assets required for and resulting from Public Trustee operations. It finances the Public Trustee through repayable loans and working capital advances. The financial framework provides increased management authority which, coupled with more rigorous planning and reporting requirements afforded by Special Operating Agency status, assists the Public Trustee to sustain the provision of high quality service to her clients.

A Management Agreement between the Financing Authority and the Minister of Justice assigns responsibility to the Public Trustee to manage and account for Public Trustee related assets and operations on behalf of the Financing Authority.

The Public Trustee continues to be part of Manitoba Justice. The Public Trustee is a corporation sole with perpetual succession. As a corporate entity the Public Trustee functions separately from government and is capable of suing or being sued on behalf of the clients, trusts and estates which are administered by her.

The Public Trustee remains bound by relevant legislation and regulations. The Public Trustee is also bound by administrative policy except where specific exemptions have been provided for in her charter in order to meet business objectives.

PUBLIC TRUSTEE OF MANITOBA
(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

NOTES TO FINANCIAL STATEMENTS
(In Thousands)
MARCH 31, 2002

2. Significant accounting policies

a) Basis of reporting

The financial statements of the Agency are presented in accordance with Canadian generally accepted accounting principles.

b) Revenue recognition

- i. Administration fees are charged to client accounts quarterly based on the anniversary date of the account in accordance with provisions of The Public Trustee Act. The fees revenue recognized in a year consists of all fees charged, accruals and adjustments made to accounts.
- ii. Other fees are recognized as revenue when charged to an account and could be subject to adjustment on closing.
- iii. Statutory fees are recognized as revenue when received.

c) Capital assets

Capital assets are recorded at cost and are amortized annually as follows:

Furnishings and equipment	- 20%, diminishing balance basis
Computer hardware and software	- 20%, straight-line basis, 10% in year of acquisition, software purchases less than \$1 are expensed in year of acquisition
Leasehold improvements	- 20%, straight-line basis

3. Accounts receivable

The accounts receivable at March 31 are as follows:

	2002	2001
Fees receivable	\$ 698	\$ 662
Allowance for doubtful accounts	<u>(28)</u>	<u>(27)</u>
	670	635
Interest receivable	2	3
Advances to client accounts	5	6
Cost recoveries	<u>6</u>	<u>16</u>
	<u>\$ 683</u>	<u>\$ 660</u>

PUBLIC TRUSTEE OF MANITOBA
(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

NOTES TO FINANCIAL STATEMENTS
(In Thousands)
MARCH 31, 2002

4. Receivable from Province of Manitoba

The receivable from the Province of Manitoba is for vacation entitlements earned by the employees of the Agency prior to creation of the Special Operating Agency in the amount of \$219 and for severance entitlements earned by employees to March 31, 1998 in the amount of \$296. This receivable, or portion thereof, for the Public Trustee, will be collected in the event there is a cash shortfall. However, this is only likely to happen on the dissolution of the Public Trustee.

5. Capital Assets

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	
			2002	2001
Furnishings & equipment	\$ 144	\$ 59	\$ 85	\$ 76
Computer hardware & software	68	56	12	24
Leasehold improvements	<u>45</u>	<u>41</u>	<u>4</u>	<u>12</u>
	<u>\$ 257</u>	<u>\$ 156</u>	<u>\$ 101</u>	<u>\$ 112</u>

6. Accounts payable and accruals

The accounts payable and accruals are as follows:

	2002	2001
Operating expenses payable	\$ 68	\$ 52
Salaries & benefits payable	75	69
Vacation entitlements accrual	307	299
GST payable to Revenue Canada	<u>27</u>	<u>28</u>
	<u>\$ 477</u>	<u>\$ 448</u>

7. Working capital

The Agency has an authorized line of working capital of \$1,000 through SOAFA, which was unused and available at March 31, 2002.

PUBLIC TRUSTEE OF MANITOBA
(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

NOTES TO FINANCIAL STATEMENTS
(In Thousands)
MARCH 31, 2002

8. Fees revenue

The Public Trustee charges fees for services as follows:

	2002	2001
Administration	\$ 3,809	\$ 3,654
Legal	350	396
Income tax	278	204
Inspection	<u>73</u>	<u>69</u>
	<u>\$ 4,510</u>	<u>\$ 4,323</u>

9. Administration expenses

The administration expenses of the Agency are as follows:

	2002	2001
Computer expenses	\$ 354	\$ 336
Courier charges	4	3
Desktop costs	3	3
Insurance, loss, damage	16	14
Office supplies	42	42
Other	5	13
Personnel	31	26
Photocopy	16	9
Postage	34	40
Professional fees	25	23
Publications	8	6
Public communications	3	6
Rentals, equipment	3	2
Repairs & maintenance	10	10
SAP costs	7	7
Support services - Department of Justice	22	26
Telephone	61	56
Travel	<u>48</u>	<u>39</u>
	<u>\$ 692</u>	<u>\$ 661</u>

PUBLIC TRUSTEE OF MANITOBA
(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

NOTES TO FINANCIAL STATEMENTS
(In Thousands)
MARCH 31, 2002

10. Pension liability

Employees of the Public Trustee are eligible for pension benefits in accordance with the provisions of The Civil Service Superannuation Act, administered by the Civil Service Superannuation Board (CSSB).

Effective March 31, 2002, pursuant to an agreement with the Province of Manitoba, the Public Trustee transferred to the Province the pension liability for its employees, subject to the following conditions.

During the 2002 fiscal year, in accordance with the terms of the agreement, the Public Trustee transferred to the Province funds equal to the net assets required to discharge its pension obligation as at March 31, 2001.

Commencing April 1, 2001, the Public Trustee is also required to pay to the Province an amount equal to its employees' current pension contributions.

Hence, as at March 31, 2002, the Public Trustee has discharged its pension obligations and has no outstanding liability.

11. Commitments

The Public Trustee has an arrangement with the Province of Manitoba for rental of its facilities in the Woodsworth Building in Winnipeg and its facility in the Provincial Building in Brandon. The Agency operates under an agreement for desktop computing. It is estimated that desktop computing costs will be \$164 annually to 2002/2003.

12. Related party transactions

The Agency is related in terms of common ownership to all Province of Manitoba created departments, agencies and Crown corporations. The Agency enters into transactions with these entities in the normal course of business.

13. Escheats to the Crown

Escheats to the Crown, received by the Public Trustee during the year and remitted to the Minister of Finance, amounted to \$ 122 (2001 - \$51). These amounts are not reflected in these financial statements.

PUBLIC TRUSTEE OF MANITOBA
(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

NOTES TO FINANCIAL STATEMENTS
(In Thousands)
MARCH 31, 2002

14. Estates and trusts under administration

The client assets under administration at March 31, 2002 total approximately \$163,000 (2001 - \$159,000). The trust activities of the Public Trustee are reported in separate Estates and Trusts under Administration financial statements.

15. Revenue stabilization reserve

The Public Trustee has allocated a reserve out of retained earnings to provide for short-term fluctuations in revenue due to changes in revenue patterns or extraordinary expenses.

16. Cash flow statement – interest received

	2002	2001
Interest received	\$ 37	\$ 100

17. Public Sector Compensation Disclosure Act

It is a requirement of The Public Sector Compensation Disclosure Act that annual public disclosure be made of individual compensation in an amount exceeding \$50 annually to any officer or employee of the Agency. For the year ended March 31, 2002, the following employees received compensation in excess of \$50:

<u>Employee</u>	<u>Position</u>	<u>Amount</u>
Bolton, M. Anne Q.C.	Senior Legal Officer	\$ 96
Cuddy, Rose	Legal Counsel 3	80
Darrach, Bruce	Information Technologist 3	62
Drever, Bruce	Legal Counsel 3	96
Fergusson, John	Legal Counsel 2	89
Jachetta, Peter	Legal Counsel 3	94
Knowlton, Joanna	Legal Counsel 3	96
Kozusko, Norman	Information Technologist 4	67
Sallans, David	Management Analyst 3	64
Shaprio, Laurie	Estates Officer 4	51

PUBLIC TRUSTEE OF MANITOBA
(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

NOTES TO FINANCIAL STATEMENTS
(In Thousands)
MARCH 31, 2002

18. Severance pay benefits

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The estimate of the liability was based on the method of calculation set by the Province.

An actuarial valuation report of the Agency's severance as at March 31, 2000 was recently completed. The report provides a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability at March 31, 2002 has been calculated to be \$ 414 (2001 - \$ 369).

**The Public Trustee of Manitoba
Estates and Trusts
under Administration**

**Financial Statements
March 31, 2002**



MANAGEMENT REPORT

The accompanying financial statements are the responsibility of management and have been prepared in accordance with the accounting policies stated in the financial statements. These accounting policies have been applied on a basis consistent with the prior year. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data available up to June 21, 2002. The financial information presented elsewhere in the Annual Report is consistent with that in the financial statements.

Management maintains internal controls to provide reasonable assurance that the financial information is reliable and accurate and that the assets of the Public Trustee are properly safeguarded.

The responsibility of the Auditor General and his staff is to express an independent, professional opinion on whether the financial statements are fairly stated in accordance with the accounting policies stated in the financial statements. The Auditors' Report outlines the scope of the audit examination and provides the audit opinion.

The Public Trustee has reviewed and approved these financial statements and the Annual Report in advance of its release and has approved its content and authorized its release.

A handwritten signature in dark ink, appearing to read "M. Anne Bolton".

M. Anne Bolton, Q.C.
Public Trustee



Office of the Auditor General

500 - 330 Portage Avenue
Winnipeg, Manitoba
CANADA R3C 0C4

AUDITORS' REPORT On Estates and Trusts under Administration

To the Legislative Assembly of Manitoba, and
To The Public Trustee of Manitoba

In accordance with Section 17 and 19 of The Public Trustee Act, we have audited the balance sheet of The Public Trustee of Manitoba, Estates and Trusts under Administration, as at March 31, 2002 and the statement of cash receipts and disbursements for the year then ended. These special purpose financial statements are presented in accordance with the accounting policies described in note 2 to these financial statements and are the responsibility of the Public Trustee's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements.

In our opinion, these special purpose financial statements present fairly, in all material respects, the financial position of the estates and trusts under the administration of the Public Trustee as at March 31, 2002 and the cash receipts and disbursements for the year then ended in accordance with the accounting policies described in note 2 to these financial statements.

Office of the Auditor General

Office of the Auditor General

Winnipeg, Manitoba
June 21, 2002

GOVERNMENT OF THE PROVINCE OF MANITOBA

The Public Trustee of Manitoba
Estates and Trusts under Administration

Balance Sheet as at March 31, 2002

ASSETS	2002	2001
Cash on hand and in bank	\$ 386,071	\$ 306,869
Investments - Common Fund (Notes 2(a) and 3)	120,448,974	117,623,449
- Specific Estates and Trusts (Notes 2(b) and 4)	32,552,185	32,473,095
Accrued interest receivable on common fund investments (Note 2(a))	2,479,748	2,530,870
Other assets at nominal value (Note 2(c))	<u>1</u>	<u>1</u>
	<u>\$ 155,866,979</u>	<u>\$ 152,934,284</u>
LIABILITIES		
Other liabilities at nominal value (Note 2(d))	\$ 1	\$ 1
Public Trustee - Fees payable (Note 1)	14,589	8,403
- Expenditures payable (Note 5)	<u>7,090</u>	<u>8,662</u>
	21,680	17,066
Estates and trusts under administration:		
Excess of recorded value of assets over liabilities		
The Mental Health Act	102,454,093	103,268,932
The Public Trustee Act	<u>53,391,206</u>	<u>49,648,286</u>
	<u>\$ 155,866,979</u>	<u>\$ 152,934,284</u>

GOVERNMENT OF THE PROVINCE OF MANITOBA

The Public Trustee of Manitoba Estates and Trusts under Administration

Statement of Cash Receipts and Disbursements for the year ended March 31, 2002

RECEIPTS	2002	2001
Funds held by estates and trusts brought under administration	\$ 14,149,600	\$ 13,817,056
Realization of equities in other estates	1,360,438	1,580,128
Pensions, compensation and assistance	25,574,547	24,812,281
Sickness, disability and other insurance benefits	6,031,554	5,832,892
Investment income	9,232,441	9,737,501
Sale of estate property	2,223,597	2,972,640
Collections on accounts receivable	<u>1,305,557</u>	<u>1,778,147</u>
Total receipts, before sale or redemption of securities	59,877,734	60,530,645
Sale and redemption of securities - Common Fund	32,700,000	42,100,000
Sale and redemption of securities - Specific Estates and Trusts	<u>7,597,783</u>	<u>6,332,966</u>
Total Receipts	<u>100,175,517</u>	<u>108,963,611</u>
DISBURSEMENTS		
Room, board and other maintenance expense	24,423,641	24,002,293
Preservation of estates	3,923,854	3,985,245
Other estate expense	1,726,886	1,684,722
Administration and passing of accounts (Note 1)	4,375,445	4,197,204
Estates and trusts released from administration	<u>24,700,755</u>	<u>19,312,372</u>
Total disbursements, before purchase of securities	59,150,581	53,181,836
Purchase of securities - Common Fund	36,489,108	51,832,950
Purchase of securities - Specific Estates and Trusts	<u>4,456,626</u>	<u>3,894,493</u>
Total Disbursements	<u>100,096,315</u>	<u>108,909,279</u>
Cash receipts over disbursements	79,202	54,332
Cash position at start of year	<u>306,869</u>	<u>252,537</u>
Cash position at end of year	<u>\$ 386,071</u>	<u>\$ 306,869</u>

GOVERNMENT OF THE PROVINCE OF MANITOBA

The Public Trustee of Manitoba Estates and Trusts under Administration

Notes to Financial Statements

March 31, 2002

1. Role and Objective

The Public Trustee administers estates of mentally disabled persons, estates of deceased persons, and infant trusts. The Public Trustee is considered to be an appointment of last resort. The Public Trustee provides a public service, generally where there is no other competent or acceptable person available to provide the required service.

Under Section 14 of The Public Trustee Act, the Public Trustee may charge fees for the services provided to the estates and trusts under her administration. Fees are charged quarterly to each estate and trust based on its anniversary date. Those estates and trusts which do not have sufficient funds may have the fees reduced or waived.

Effective April 1, 1996, the Public Trustee became a Special Operating Agency. The operations of the Public Trustee are reflected in a separate Special Operating Agency financial statement.

2. Significant Accounting Policies

Statement of Cash Receipts and Disbursements

The Statement of Cash Receipts and Disbursements reflects cash transactions which have occurred during the year for estates and trusts under administration.

Balance Sheet

The Balance Sheet reflects the financial position of estates and trusts under administration in accordance with the following significant accounting policies:

a) Investments - Common Fund

Investments of the common fund, established pursuant to Section 11(1) of The Public Trustee Act, are restricted to securities and loans authorized under The Trustee Act. Common fund investments are recorded at cost, adjusted for the amortization of premiums or discounts on purchase on a straight-line basis over the remaining term to maturity of the security. Interest is accrued on these investments. Earnings are distributed monthly to the individual estates and trusts on a pro rata basis.

GOVERNMENT OF THE PROVINCE OF MANITOBA

The Public Trustee of Manitoba Estates and Trusts under Administration

Notes to Financial Statements March 31, 2002

b) Investments - Specific Estates and Trusts

Investments held for specific estates and trusts are recorded at the following values:

Investments purchased by the Public Trustee are recorded at cost.

Bonds, term deposits, investment certificates and treasury bills assumed under administration are recorded at par value.

Shares of capital stock and mutual funds assumed under administration are recorded at the market value as at the date of death for estates of deceased persons or as at the date of assumption for all other estates. If market value is not available, shares of capital stock and mutual funds are recorded at a nominal value of \$1.

c) Other Assets

Other assets which include bank accounts, accounts receivable, mortgages, notes receivable, real estate and other tangible assets are recorded for these financial statements at an aggregate nominal value of \$1 as valuation of these assets is not readily determinable. These assets are recorded on the client accounts at estimated market value for administrative purposes.

d) Other Liabilities

Other liabilities which include accounts payable, mortgages and notes payable are recorded for these financial statements at an aggregate nominal value of \$1 as valuation of these liabilities is not readily determinable. These liabilities are recorded on the client accounts at estimated market value for administrative purposes.

3. Investments - Common Fund

	<u>2002</u> <u>Par Value</u>	<u>2002</u> <u>Book Value</u>	<u>2001</u> <u>Value</u>
1. Term deposits & investment certificates	\$ 32,100,000	\$ 32,100,000	\$ 34,700,000
2. Government of Canada bonds	56,600,000	59,210,724	55,789,344
3. Province of Manitoba bonds	4,500,000	4,499,490	4,497,096
4. Province of Quebec bonds	3,000,000	2,945,411	2,937,801
5. Province of Ontario bonds	4,100,000	4,322,994	3,683,869
6. Ontario Hydro-Electric bonds	5,500,000	5,492,674	5,486,411
7. Province of New Brunswick bonds	4,400,000	4,253,374	2,428,691
8. Province of Saskatchewan bonds	6,000,000	6,304,046	6,363,392
9. Manitoba Hydro & Manitoba Builder savings bonds	260,000	252,719	649,421
10. Province of British Columbia bonds	<u>1,000,000</u>	<u>1,067,542</u>	<u>1,087,424</u>
	<u>\$ 117,460,000</u>	<u>\$ 120,448,974</u>	<u>\$ 117,623,449</u>

GOVERNMENT OF THE PROVINCE OF MANITOBA

The Public Trustee of Manitoba
Estates and Trusts under Administration

Notes to Financial Statements
March 31, 2002

4. Investments - Specific Estates and Trusts

	<u>2002</u>	<u>2001</u>
Term deposits, investment certificates and treasury bills	\$ 18,934,274	\$ 18,296,219
Government of Canada and other bonds	9,161,340	9,115,057
Shares of capital stock and mutual funds	<u>4,456,571</u>	<u>5,061,819</u>
	<u>\$ 32,552,185</u>	<u>\$ 32,473,095</u>

5. Expenditures Payable to the Public Trustee

Expenditures payable to the Public Trustee represent disbursements made on behalf of estates or trusts for which funds were not immediately available. These expenditures will be recovered from the estates or trusts concerned by the Public Trustee in due course when funds become available. If funds do not become available, these expenditures are recovered from operating funds of the Public Trustee.